

# **Exhibit A**

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

In re:

TERRORIST ATTACKS ON  
SEPTEMBER 11, 2001

:  
Docket #03md1570  
: 1:03-md-01570-GBD-FM  
: New York, New York  
July 8, 2016  
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PROCEEDINGS BEFORE  
THE HONORABLE FRANK MAAS  
UNITED STATES DISTRICT COURT MAGISTRATE JUDGE

APPEARANCES:

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Proceedings recorded by electronic sound recording;  
Transcript produced by transcription service.

INDEXE X A M I N A T I O N S

| <u>Witness</u> | <u>Direct</u> | <u>Cross</u> | <u>Re-Direct</u> | <u>Re-Cross</u> | <u>Court</u> |
|----------------|---------------|--------------|------------------|-----------------|--------------|
|----------------|---------------|--------------|------------------|-----------------|--------------|

None

E X H I B I T S

| <u>Exhibit Number</u> | <u>Description</u> | <u>ID</u> | <u>In</u> | <u>Voir Dire</u> |
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None

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2 THE CLERK: This matter is on for a discovery  
3 conference, in re: Terrorist Attacks on September 11, 2001,  
4 counsel please state your name for the record.

5 MR. ALAN KABAT: Alan Kabat for Al Haramain.

6 MR. ROBERT HAEFELE: Good afternoon, Your Honor,  
7 Robert Haefele from Motley Rice for the plaintiffs.

8 MR. JERRY GOLDMAN: Good afternoon, Your Honor,  
9 Jerry Goldman for the plaintiffs.

10 THE COURT: Good afternoon. Just give me a second  
11 here. Why don't we start with the application that relates  
12 to Mr. Seda Ghaty who I guess it's easier to call Mr. Seda.

13 MR. HAEFELE: Thank you, Your Honor. Plaintiffs  
14 filed a motion to compel and a motion for sanctions  
15 regarding Mr. Seda Ghaty and it's essentially a fairly  
16 simple Rule 37 motion I think, Your Honor. Plaintiffs'  
17 position is that primarily that Mr. Seda Ghaty has,  
18 throughout the course of this litigation, willfully chosen  
19 not to defend himself in the litigation. Initially he took  
20 the position that he wasn't going to respond to discovery  
21 based on his Fifth Amendment right, and he was told by this  
22 Court, Your Honor, as well as the District Court Judge, as  
23 well as the Second Circuit on two occasions that he could  
24 not assert his Fifth Amendment right without running the  
25 risk of exactly what we're here for today, Your Honor. He

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2 made that election and even after he received those orders  
3 from the Courts, he continued to elect to not respond to  
4 discovery, and here we are several years after the discovery  
5 obligations have supposedly to have been completed. I think  
6 it was December of the year before last, December of '14  
7 when the rolling production was done and still yet we have  
8 nothing from Mr. Seda Ghaty.

9           I think one of his positions is that he wants to  
10 rely on productions from other defendants but I think Your  
11 Honor has already addressed that in the course of discovery  
12 motions related to other defendants that he can't just rely  
13 on other defendants' productions and he is obligated to  
14 respond to discovery on his own.

15           I guess the only other point, Your Honor, that I  
16 would make, is that he had in the course of his, and I'm not  
17 sure that it even matters because Your Honor has already  
18 ruled on the fact that the Fifth Amendment privilege doesn't  
19 apply, but he has indicated that he's relied on that because  
20 of the threat of incrimination related to criminal  
21 proceedings that have long been dismissed, and the fact that  
22 there are not criminal proceedings pending and there is no  
23 likelihood of incrimination, there is absolutely no way that  
24 the Fifth Amendment, even if it had applied before, could  
25 continue to apply now.

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2                 The other point we make, Your Honor, that we made  
3 in the briefing was that even if he had a Fifth Amendment  
4 that did apply, he'd waive that, Your Honor, when he put  
5 himself in the Rule 26 disclosures as a witness that he  
6 intended to rely upon at trial, and indicated that he would  
7 produce documents for trial to defend himself, and I think  
8 that, Your Honor, indicates that he can't use the Fifth  
9 Amendment both as a shield and as a sword. So to the extent  
10 that he tried to do that, he's waived any protection that he  
11 had.

12                 Your Honor, we've taken the position that as a  
13 result of that, there's a series of sanctions that we ask  
14 having posed. The first one that we outline, Your Honor, is  
15 a conditional default that would give him a period of time  
16 to come into compliance, perhaps two weeks or thirty days to  
17 come into and that would avoid the default, but, if not,  
18 then the default would activate. Alternatively or in  
19 addition, we've asked for an order of preclusion that would  
20 prevent him from, since he's taken the position that he  
21 doesn't want to talk, then sticking to it and he can't talk  
22 when it comes time to trial to defend himself, and/or  
23 adverse inferences. And lastly, regardless of the other  
24 sanctions, imposing costs. And I know Your Honor probably  
25 doesn't want to go through another one of those, but that's

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2 --

3 THE COURT: Not my favorite activity, you're  
4 correct.

5 MR. HAEFELE: But that is where we are, Your  
6 Honor. I think we've met the requirements for the sanctions  
7 that we've asked to be imposed, and those are outlined in  
8 the papers, I don't think Your Honor needs to listen to me  
9 to go through those.

10 I think that's all, Your Honor, thank you, unless  
11 you have questions?

12 THE COURT: No. Not at the moment. Mr. Kabat, one  
13 thing I don't understand is if you're taking the position  
14 that Seda Ghaty or Seda had no documents, apart from those  
15 that Al Haramain USA has, why in the world would you have  
16 asserted the Fifth in response to document demands, or why  
17 would your client have, more accurately?

18 MR. KABAT: We (inaudible) before the 9<sup>th</sup> Circuit  
19 vacated the conviction and before the prosecution  
20 (inaudible), we are not asserting the Fifth at the present  
21 time.

22 THE COURT: But if he had no, the assertion of the  
23 Fifth was if we were to produce the documents they would be  
24 incriminating, that's in effect what you're saying. And if  
25 he had no documents, then not producing or failing to

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2 produce documents he didn't have couldn't very well be  
3 incriminating. It seems to me you may have made a poor  
4 strategic choice here.

5 MR. KABAT: Most of the documents that Al Haramain  
6 produced were documents from the criminal trial and they  
7 were (inaudible) production (inaudible) disclosure, the  
8 grand jury documents in the criminal trial. So even Al  
9 Haramain produced some of these years ago they ultimately  
10 denied from his own criminal prosecution so that's why he  
11 had at the time a Fifth Amendment (inaudible) because those  
12 documents were being used, potentially being used in the  
13 criminal trial which the Court later vacated.

14 THE COURT: Well a corporate entity has no Fifth  
15 Amendment privilege, so to the extent they were corporate  
16 documents he couldn't assert a Fifth Amendment with respect  
17 to Al Haramain's documents. And what I understand you to be  
18 saying now is that he had no documents apart from the  
19 documents held by the corporation.

20 MR. KABAT: When the government seized the  
21 corporation documents, the corporation was housed in his  
22 residence, so they also seized all of his personal  
23 documents, personal computers and so forth, personal emails,  
24 and so that Al Haramain production included his personal  
25 emails, personal documents and so forth.

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2 THE COURT: Well today you take the position that  
3 apart from what Al Haramain either has produced or now has  
4 been produced by virtue of seized, formally seized documents  
5 being made available to the plaintiffs, that he has no  
6 additional documents, right?

7 MR. KABAT: Correct, other than the privilege  
8 communications he had with the federal public defender  
9 (inaudible) with them, but there are no non-privilege Al  
10 Haramain documents in his production.

11 THE COURT: So one of the alternative remedies  
12 that Mr. Haefelete seeks is a preclusion order precluding you  
13 from using at trial any documents that have not previously  
14 been produced. If I enter a preclusion order your client is  
15 not prejudiced by that, if I hear you.

16 MR. KABAT: That order would have impact because  
17 he has no other documents.

18 THE COURT: Well it would have the effect of  
19 meaning that Mr. Seda can't come marking in at the 11<sup>th</sup> hour  
20 and say I found a bunch of documents under my mattress and I  
21 now wish to use those in my defense.

22 MR. KABAT: (inaudible) Mr. Seda has the right  
23 then to call an expert witness and whatever documents the  
24 expert witness might generate, those would be produced down  
25 the road, but other than that --

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2 THE COURT: But those are documents that don't  
3 exist today so, and they wouldn't be underlying documents,  
4 they'd be an expert report. So at a minimum it seems to me  
5 the plaintiffs are entitled to a preclusion order.

6 Let me turn to one of the alternative forms of  
7 relief that they asked for which is, correct me if I'm  
8 wrong, Mr. Haefele, an order entitling the finder of fact,  
9 whoever that may be, to draw an adverse inference from the  
10 assertion of the Fifth where, as Mr. Haefele said I said,  
11 Judge Daniels said, and the Second Circuit all said, you  
12 have sort of a difficult choice to make if you have both  
13 pending criminal and civil proceedings, but he opted to  
14 assert his Fifth and an adverse inference typically can be  
15 drawn from that. Why shouldn't I again order that? Let me  
16 rephrase it, why are the plaintiffs not entitled to that?

17 MR. KABAT: To an adverse inference?

18 THE COURT: Yes.

19 MR. KABAT: Because Mr. Seda had not asserted the  
20 Fifth since August, 2013, when the 9<sup>th</sup> Circuit vacated the  
21 conviction and government, the prosecution thought the Fifth  
22 Amendment issue was ancient history that predated the filing  
23 of the motion.

24 THE COURT: Well, he may have withdrawn it at this  
25 stage, but he asserted it -- let's take OJ Simpson, and

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2 let's assume that he had signed a confession that he was  
3 guilty of a homicide. It was collateral civil litigation.  
4 And let's assume that notwithstanding his confession, he was  
5 acquitted and then said, but when asked for, in connection  
6 with the civil case asserted the Fifth. And then he's  
7 acquitted and he says now I wish to testify at the civil  
8 trial, and counsel for the estate of the woman he killed or  
9 is alleged to have killed seeks an adverse inference  
10 instruction. The fact that OJ Simpson, having beaten the  
11 criminal case, now says never mind the Fifth, doesn't  
12 obviate the fact that at an earlier stage for whatever  
13 reason he asserted the Fifth from which an adverse inference  
14 could be drawn. It's not a mandatory inference, it's an  
15 inference that can be explained, and maybe the explanation  
16 for OJ Simpson is, well, my lawyer told me to assert the  
17 Fifth because criminal charges were pending, but now that I  
18 was acquitted in that case I want to testify. The fact that  
19 at an earlier time he thought that producing documents in  
20 response to these requests would incriminate him, it seems  
21 to me is potentially relevant. Even if circumstances now  
22 have changed such that the assertion of the Fifth is  
23 withdrawn, it seems to me that's equally applicable here,  
24 there may be an explanation for why in the first instance it  
25 was asserted and now it's withdrawn, but it doesn't mean

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2 that an adverse inference couldn't be drawn from the earlier  
3 assertion. And as, I guess most importantly, the Second  
4 Circuit said, you know, that's the hard choice people have  
5 to make.

6 MR. KABAT: Your Honor, I don't know the answer  
7 off the top for that because I have not looked at the  
8 adverse inference issue in several years because I thought  
9 it was off the table, frankly. I would be happy to submit a  
10 short letter in response if you think that might be  
11 appropriate.

12 THE COURT: Okay, I'll tell you that what I'm  
13 inclined to do is grant preclusion which is more of an  
14 assurance to the plaintiffs than a penalty in this  
15 circumstance to the plaintiff, to the defendant, excuse me,  
16 and also, for the reason I just identified, to allow the  
17 finder of fact to draw an adverse inference. I may be  
18 somewhat usurping Judge Daniels' authority in doing that,  
19 but I don't think I am because it's discovery related, and  
20 if I am I am sure he won't hesitate to tell me that. But,  
21 sure, if you want to submit a letter related to that issue  
22 or more focused on that issue, I'm glad to let you do that  
23 and give Mr. Haefele a chance to respond.

24 MR. HAEFELE: Your Honor, if I could just respond  
25 briefly.

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2 THE COURT: Let me just finish this thought.

3 MR. HAEFELE: Yes, I'm sorry.

4 THE COURT: What I'm inclined not to do is grant,  
5 you know, a conditional or an unconditional order finding  
6 that there should be a default here because as a practical  
7 matter saying you have two weeks to send any documents,  
8 we've been told repeatedly there are no documents other than  
9 the Al Haramain documents.

10 MR. HAEFELE: Your Honor, that's the issue I  
11 wanted to address.

12 THE COURT: Okay.

13 MR. HAEFELE: It's one of the issues I wanted to  
14 address. First, I just wanted to make the point that never  
15 has there ever been any indication that the Fifth Amendment  
16 assertion has been withdrawn. The entire briefing presumes  
17 that the Fifth Amendment was one of the issues that was on  
18 the table and it was never indicated in any briefing, and  
19 the briefing has been done for years now, that it was  
20 withdrawn. In fact, even, there was an April 2015, and May  
21 25<sup>th</sup> hearings where the issue was raised and they reasserted  
22 the fact that, you know, based on their assertions to the  
23 Fifth Amendment that they weren't producing anything. If  
24 that wasn't the issue they should have told us that at that  
25 point in time instead of waiting until we're sitting here in

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2 the hearing.

3 The other issue --

4 THE COURT: Let me modify what I said. I told you  
5 that I'm inclined to grant that request, I'll also permit  
6 Mr. Kabat to submit a letter, but if I don't find it  
7 persuasive then I will probably just summarily rule and not  
8 require you to go through further briefing on the issue.

9 MR. HAEFELE: Thank you, Your Honor. On the point  
10 of, I understand Mr. Kabat has regularly insisted that  
11 there's no more documents, but every defendant in this  
12 litigation has continually insisted that there are no more  
13 documents and then has begged for more time to produce  
14 documents and they trickle in more documents, sometimes  
15 they're relevant, sometimes they're not --

16 THE COURT: But the preclusion order protects you  
17 against that.

18 MR. HAEFELE: Well, it does and it doesn't, Your  
19 Honor. If there are other documents that are relevant to our  
20 claims, for example, there are bank account records for the  
21 individual that are not Al Haramain records, there are IRS  
22 records for the gentleman that are not Al Haramain records.  
23 And it's the same issue that we've come up against with  
24 regard to each of the individuals that have insisted that  
25 they don't have any documents but they haven't gone where

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2 the documents are. And if you're not looking where the  
3 documents are, if you're not going, for example, I don't  
4 know that he hasn't gone to his accountants, I don't know  
5 that he hasn't gone to the banks to get the documents and if  
6 you're not looking where the documents are, of course you  
7 are not going to have the documents. And that's an issue  
8 that we've repeatedly come up in this litigation.

9                   THE COURT: I think there is a distinction to be  
10 drawn between accountants and banks, and let me explain what  
11 I think the distinction is. Obviously, somebody who is  
12 served with a document demand or a subpoena has to produce  
13 documents within his or her possession, custody or control.  
14 And your accountant is your agent, so that if your  
15 accountant or spouse has responsive documents, those have to  
16 be produced because they're sitting in the accountant's file  
17 cabinet somewhere or it might be electronic equivalent.

18                   Banks I draw a distinction because to go to the  
19 bank a party who is asked for documents would, in effect, be  
20 asking the bank to create documents, to print out documents  
21 from their files, and that's something equally so that the  
22 plaintiffs could do. I understand you may not know where Mr.  
23 Seda banked currently but that's information that can be  
24 gotten. And to the extent that somebody has to go to the  
25 bank and get the documents, they are equally available to

1 15  
2 you. It really then becomes sort of a cost shifting.

3 MR. HAEFELE: Your Honor, I'm not sure,  
4 respectfully, I'm not sure I agree with you entirely.

5 THE COURT: That's why I'm raising it, to find  
6 out.

7 MR. HAEFELE: The example I would give, and it's  
8 an example that we had with Wile Jilaydan (phonetic), if  
9 there are accounts overseas we don't have equal access to  
10 those and I don't know whether Mr. Seda has accounts  
11 overseas or not. But that would be an example where we  
12 certainly wouldn't necessarily have, I can't subpoena a bank  
13 in the Middle East. And I would, and I mean that's the  
14 example, one of the examples we had with Mr. Jilaydan where  
15 he assured us that he was trying to get documents and we've  
16 come to find out that he really wasn't ever trying to get  
17 those documents.

18 THE COURT: That was a circumstances where, as you  
19 just said, the documents were not equally available to both  
20 sides. Mr. Seda says through Mr. Kabat that there are no  
21 documents.

22 MR. HAEFELE: As did Mr. Jilaydan, too. I'm  
23 finding it harder and harder throughout this litigation, and  
24 I'd beg Your Honor to define harder and harder, to believe a  
25 defendant when they say they don't have documents when it's

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2 been repeated over and over again from the beginning of this  
3 litigation by every, I think I can safely say, every single  
4 defendant, and yet here we are and some of them are still  
5 producing documents.

6 THE COURT: Mr. Kabat.

7 MR. KABAT: Well I did say, meant to say they had  
8 no more relevant, responsive documents in his production and  
9 if the plaintiffs want to do a subpoena of Bank of America  
10 for his bank statements going back to 1995, they can do so,  
11 but I doubt that the Bank of America keeps banks statements  
12 for 15 years, Mr. Seda certainly doesn't, so.

13 MR. HAEFELE: Your Honor, that kind of plays  
14 directly into the problem is that the reason why they  
15 haven't been produced in a timely fashion is because the  
16 defendant didn't preserve those documents. And that's part  
17 of the problem here, Your Honor, is that there has been this  
18 extraordinary delay in getting the information to the  
19 plaintiffs so that we have, in fact, I mean Mr. Kabat has  
20 actually indicated to us now exactly what one of the  
21 problems is that has prejudiced the plaintiffs.

22 THE COURT: Well, as I said, what I'm inclined to  
23 do is grant a preclusion order, grant a request for an  
24 adverse inference, either instruction or a conclusion, if  
25 there were some day a bench trial, but not grant relief

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2 beyond that. I'll give you, Mr. Kabat, one week to send me  
3 a letter explaining why the adverse inference instruction is  
4 not warranted and Mr. Haefele, you need not respond to that  
5 unless I ask for further briefing on the issue. I don't  
6 anticipated being swayed by whatever I receive, but maybe  
7 there's some issue I've missed and, if so, I will ask you to  
8 respond. But the conditional direction to compel -- oh, I'm  
9 sorry, the conditional default judgment conditioned on  
10 production of documents in some short period of time, it  
11 strikes me as just more of a waste of time because there  
12 aren't going to be more documents produced it would appear.  
13 And simply defaulting the defendant entirely, it seems to  
14 me, is not warranted on the facts of this case. And  
15 implicit in what I've just said is, I've not sure you've  
16 mentioned it heretofore today, but there is also an  
17 application for costs and I'll entertain such an application  
18 related to this discovery motion.

19 MR. HAEFELE: I'm sorry, Your Honor, I didn't hear  
20 the end of that.

21 THE COURT: Related to this motion.

22 MR. HAEFELE: Okay.

23 THE COURT: As was true in the prior application  
24 for costs, I recognize there's a fair amount of baggage  
25 going backward that relates to this.

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2           So let's turn then to Al Haramain. Let me just  
3 ask why you're looking, and that's the only other issue  
4 we're taking up today, correct?

5           MR. HAEFELE: That's correct, Your Honor.

6           THE COURT: Okay, thanks.

7           MR. HAEFELE: Regarding Al Haramain, Your Honor, I  
8 think part of the issue that was raised in the briefs Your  
9 Honor has already taken care of and I think we had raised  
10 the request at the time that this was briefed that we, that  
11 Your Honor issue an order setting the costs or setting the  
12 value of the sanctions motion before. And that's already  
13 water under the bridge.

14           THE COURT: And Judge Daniels took care of the  
15 other piece of it which was directing that Al Haramain seek  
16 to unfreeze the funds. Mr. Kabat, within the time period  
17 that Judge Daniels required, sent a letter indicating they  
18 had made the request, is there any further news about that?

19           MR. KABAT: I'll be brief, we got the OPEC  
20 (phonetic) (inaudible) in about a month ago and by way of  
21 background, back in 2014, which was before the whole  
22 sanctions issue came up, Al Haramain, OPEC and me had three-  
23 way negotiations about settling the OPEC designation  
24 challenge on remand from the 9<sup>th</sup> Circuit, and OPEC agreed to  
25 deem that Al Haramain, (inaudible) and OPEC required that

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2 the organization, in turn, would agree to dissolve. Now the  
3 dissolution, which plaintiff didn't know about, was  
4 (inaudible) because nobody wanted to keep on working with  
5 the organization, they had all moved on with their lives --

6 THE COURT: The consequence was there was money  
7 sitting in a piggybank someplace.

22 And I want to say a brief word about the Executive  
23 Branch decision under Second Circuit --

24 THE COURT: Before you get to that, I want to  
25 understand what you just said, does that mean the plaintiffs

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2 are getting paid?

3 MR. KABAT: Yeah, the check came in the mail today  
4 and my office in DC will send it out Monday.

5 THE COURT: Okay.

6 MR. KABAT: So we're good on that.

7 THE COURT: I just wanted to make sure you weren't  
8 asserting some formal lien or something.

9 MR. KABAT: Now, I did want to say a brief word  
10 about the legal consequences of OPEC's decision that  
11 required the dissolution of Al Haramain to (inaudible) the  
12 organization and decide that its remaining assets are to be  
13 used to pay the (inaudible) prior award and that the very  
14 partial payment on our law firm (inaudible), that's a non-  
15 justifiable political question, the Second Circuit and the  
16 District Judge in the Southern District have consistently  
17 held that OPEC's decision regarding where and how blocked  
18 assets are to be distributed, is a non-justifiable political  
19 question under the Supreme Court decision in Baker v. Kearn  
20 (phonetic). And let me just briefly run through the  
21 (inaudible), I think they are quite relevant here. Judge  
22 Leger (phonetic) (inaudible) back in 1993, and the  
23 plaintiffs sought blocked assets and Judge Leger readily  
24 rejected plaintiffs' claim on the grounds that their action  
25 implicated fundamental political questions that only the

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2 Executive Branch has the power to resolve. The Second  
3 Circuit confirmed that. (inaudible) would beg the same  
4 question by the same plaintiffs (inaudible) from the same  
5 plaintiffs, and again, he held in two decisions that OPEC  
6 had made the decision regarding the disposition of the  
7 assets. So plaintiffs' demands for any additional assets  
8 were a "non-justifiable political question." Again, the  
9 Second Circuit affirmed both Judge Keenan's decision and he  
10 said the judgment about previously blocked assets are the  
11 sole discretion of the Executive Branch without merit  
12 (inaudible) from the plaintiff in (inaudible) to seek  
13 (inaudible). So we had six decisions, three from this Court  
14 and three from the Second Circuit, each making clear the  
15 OPEC decision about the dispersion of assets and what to do  
16 with blocked assets is a non-justifiable political question  
17 for the same reason OPEC's decision to issue (inaudible)  
18 requiring the dissolution of the organization and the  
19 dispersal of the remaining assets to plaintiff with the  
20 small balance left over to our law firm is a non-justifiable  
21 political question. A dissolved corporation is a legal non-  
22 entity, it cannot participate any further in litigation, so  
23 once the dissolution is effective we will file a notice with  
24 the Court, probably at the end of this month, maybe sooner,  
25 to advise the Court of the final dissolved status and we can

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2 all put Al Haramain behind us. Thank you.

3 MR. HAEFELE: Your Honor, Mr. Kabat emailed us I  
4 think it was just yesterday and asked us to provide him each  
5 of the firms' tax ID numbers, indicating that he thought  
6 later this month the money would be available to disburse to  
7 each of the firms. And at the time, since it was just  
8 yesterday and we hadn't really heard anything about this,  
9 although now I'm hearing that it was in play for the past  
10 month, I was clear that we wanted to make sure that there  
11 was a license out there because can't take the money without  
12 there being a license. So I've asked Mr. Kabat to provide a  
13 copy of the license to each of the firms and we'd ask Your  
14 Honor if we could have Your Honor order him to provide us  
15 the copy of the license forthwith.

16 THE COURT: Let me interrupt you, is there a  
17 license and do you have a copy of it?

18 MR. KABAT: Yeah, we got it on June 6<sup>th</sup> and we're  
19 going to give it to them with the checks on Monday.

20 MR. HAEFELE: Your Honor, we really want a copy of  
21 the license before we take possession of the money. We want  
22 to make sure --

23 THE COURT: If it arrives in the same envelope I  
24 don't think there's a problem.

25 MR. KABAT: Exactly.

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2 MR. HAEFELE: Technically speaking, we can't, I  
3 want to make sure everything is in place before we take the  
4 money. So it would be very important for us to make sure  
5 that the license, I'm assuming but I don't want to take it  
6 for granted, I think the proper way --

7 THE COURT: I think you are being hyper technical  
8 because getting a check is different than cashing a check.

9 MR. HAEFELE: Fair enough.

10 THE COURT: And you'll get the license, you don't  
11 have to cash --

12 MR. KABAT: It's a cashier check from Bank of  
13 America.

14 THE COURT: Okay, but it's basically Bank of  
15 America drawing down funds against and Al Haramain account.

16 MR. KABAT: Blocked account, correct.

17 THE COURT: And I assume Bank of America had the  
18 same concerning you had in terms of issuing the check.

19 MR. HAEFELE: I guess what I'm concerned about is,  
20 Your Honor, I don't understand why we weren't provided a  
21 copy of the license since we knew it was an issue, and he  
22 got it, you know, he knew he was getting it a month ago.

23 THE COURT: In any event, you are going to get it  
24 and if you don't want to cash the check or you need  
25 something else --

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2 MR. HAEFELE: Obviously we want the money but we  
3 also want to make sure that I's are dotted, T's are crossed.  
4 And I guess the other concern I have is that just like he's  
5 know about this for a month and he raises it today, the  
6 briefing that we just heard is something that obviously that  
7 Mr. Kabat was quite aware of, enough that he had done his  
8 research and he's standing here reading things. There is no  
9 possible way that plaintiffs can respond to the verbal  
10 briefing that we just heard.

11 THE COURT: Nor would I ask you to, I gather that  
12 was being done more for the record and as a heads up that,  
13 in effect, Al Haramain will default by virtue of its  
14 dissolution, although there's the interesting question of  
15 what law applies. If you apply New York law, a corporation  
16 that's dissolved can continue to be a defendant or can bring  
17 actions.

18 MR. HAEFELE: Well, Your Honor, in light of the  
19 fact that the defendant has indicated that it will not  
20 defend itself any longer and that is part of what the  
21 plaintiffs have been claiming, we would ask Your Honor that  
22 you evaluate that as part of our request and you do enter a  
23 default against Al Haramain.

24 THE COURT: Well I can't enter a default, that's  
25 Judge Daniels bailiwick. But as a practical matter, it

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2 sounds like that that's where we're headed here, correct,  
3 Mr. Kabat?

4 MR. KABAT: A default judgment would be a nullity  
5 because you can't collect anything --

6 THE COURT: Well it won't be a nullity, it may be  
7 a useless exercise but it's a default judgment against a  
8 defunct entity that by definition will have no assets, all  
9 of which still leaves Mr. Seda in the suit, but Al Haramain  
10 as a practical matter will cease to be a player in this  
11 lawsuit, or series of lawsuits.

12 MR. HAEFELE: To be clear, Your Honor, the  
13 plaintiffs see value in the default judgment against the  
14 entity.

15 THE COURT: Sure.

16 MR. HAEFELE: So even though others may think it  
17 has no value --

18 THE COURT: Well if, for example, at some stage  
19 you are able to pierce the corporate veil, I suppose it may  
20 have value. It certainly would be a judgment with a lot of  
21 zeros.

22 MR. HAEFELE: I'm not, I mean now we're getting  
23 back to what the original motion was and I mean I don't know  
24 whether there is any value in going through the rest of the  
25 motion to demonstrate that there are documents that Al

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2 Haramain has intentionally delayed in getting to the  
3 plaintiffs, and there are additional documents that they  
4 still have yet to produce and I mean it demonstrates an  
5 intent on the behalf of the entity that we would continue to  
6 press that a default is nonetheless warranted, particularly  
7 in light of the intention.

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THE COURT: Well I suppose what I could do is a  
9 very short R and R to Judge Daniels summarizing the  
10 discussion we just have had and recommending that a default  
11 judgment be entered against Al Haramain USA.

12

MR. HAEFELE: That's what our recommendation would  
13 be.

14

THE COURT: and is that going to be opposed?

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MR. KABAT: We certainly think so because the  
16 government has already made the decision to dissolve the  
17 organization and disburse its assets so nothing that the  
18 Court can do can have any impact on that, and the plaintiff  
19 won't be able to collect on any default judgment because the  
20 government has already decided to dissolve the organization  
21 and disburse the assets.

22

THE COURT: Well by virtue of the plaintiffs  
23 cashing the check to their counsel and you cashing the check  
24 to your firm, there is no money left in the till, correct?

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MR. KABAT: Absolutely not.

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2                 THE COURT: So except to the extent that there is  
3 somebody else who could be held liable for the indebtedness  
4 of Al Haramain, it does sound like Al Haramain is pretty  
5 much done. Which is not to say that there couldn't, you  
6 know, be down the road some discovery request that somebody  
7 might have to respond to or, well, having said that it's  
8 hard to envision how that would arise. But I think it  
9 somewhat moots the application you were making with respect  
10 to Al Haramain except to the extent that I will issues the R  
11 and R I just described.

12                 MR. HAEFELE: As I said, Your Honor, except to the  
13 extent that it gives a vehicle for Your Honor to make a  
14 recommendation to the District Judge.

15                 THE COURT: No, even though that's not  
16 specifically the relief that was requested, it seems to me  
17 that's appropriate and also unopposed. So consider it done.

18                 MR. HAEFELE: Thank you, Your Honor.

19                 THE COURT: Anything else from the plaintiffs'  
20 perspective?

21                 MR. HAEFELE: No, Your Honor.

22                 THE COURT: Okay.

23                 MR. HAEFELE: Thank you.

24                 THE COURT: I gather, were there people who were  
25 on the phone?

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2 MR. HAEFELE: There were at least one or two.

3 THE COURT: Can we just get those appearances if  
4 you are still on the phone?

5 MR. PETER SALERNO: Peter Salerno, Salerno &  
6 Rothstein, for Yassin Kadi.

7 MR. HAEFELE: That's the only one I knew, Your  
8 Honor, I thought there was somebody else.

9 THE COURT: Okay, so it sounds like Mr. Salerno  
10 was the only person who wasn't out in the Hamptons on a  
11 Friday afternoon.

12 MALE VOICE: (off microphone) Your Honor, my name  
13 is (inaudible) I work for a law firm (inaudible).

14 THE COURT: Okay, thank you.

15 MR. KABAT: I did want to briefly mention one  
16 thing.

17 THE COURT: But is there?

18 FEMALE VOICE: (off microphone) Yes, Your Honor,  
19 Katie (inaudible) for Dubai Islamic Bank.

20 THE COURT: Okay, thank you.

21 MR. KABAT: I just want to briefly mention that I  
22 was checking the docket and there are two other matters that  
23 are pending that we might want to (inaudible). One is the  
24 Hagwisch (phonetic) plaintiff filed a motion for a common  
25 benefit fund.

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2 THE COURT: Right.

3 MR. KABAT: That is fully briefed, and that's a  
4 dispute between the plaintiff and counsel, we don't have any  
5 involvement in that. The other item that will be ready very  
6 soon is the plaintiffs' motion to compel the Dallah Avco,  
7 the plaintiff replied briefly July 15<sup>th</sup>. Now I have not  
8 talked with the attorney for Dallah Avco so I don't know if  
9 they and plaintiff want to have a motion hearing or whether  
10 they want (inaudible) but I did want to mention that's out  
11 there.

12 THE COURT: Yeah, I think we were aware of both of  
13 those, certainly the Hagwish common benefit fund one was.  
14 The Dallah Avco I guess I'll wait till July 15<sup>th</sup> and then  
15 we'll see where we go from there.

16 MR. KABAT: Thank you.

17 THE COURT: Okay, thank you, everyone.

18 MR. HAEFELE: Your Honor, I'd like to have a word,  
19 very quick word off the record, Your Honor, regarding  
20 Burnett Iran claims.

21 THE COURT: Sure. Let's go off the record.

22 (Whereupon the matter is adjourned.)

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C E R T I F I C A T E

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5           I, Carole Ludwig, certify that the foregoing  
6 transcript of proceedings in the United States District  
7 Court, Southern District of New York, In re: Terrorist  
8 Attacks on September 11, 2001, Docket Number 03md1570, was  
9 prepared using PC-based transcription software and is a true  
10 and accurate record of the proceedings.

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Signature\_\_\_\_\_

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Date: July 23, 2016

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